

PSJ3

Exhibit 439

Approach

- **Conduct research** to inform key messages and a proactive communications approach
- Pursue a **targeted communications strategy** with a specific focus on **educating relevant stakeholders**: local, state and national policymakers, state and federal regulators, related industry associations, and targeted, influential media
- Convene a **collaborative, stakeholder-based group** that supports protecting and defending the safety and integrity of the healthcare supply chain

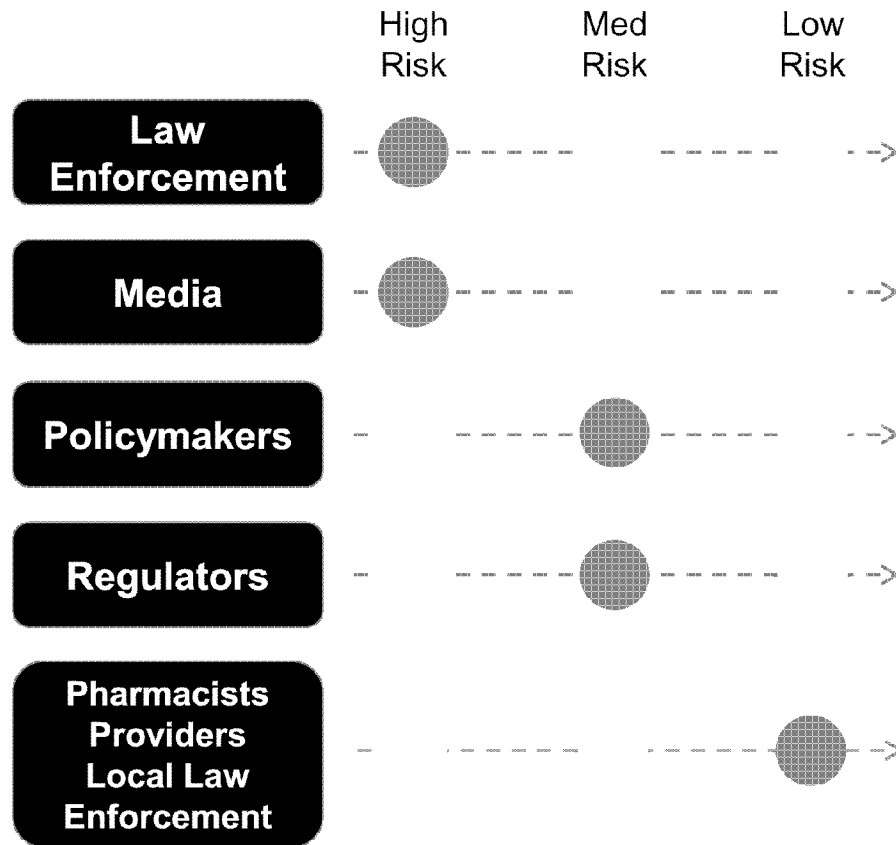
Success

- Position the industry as an **integral, productive and collaborative partner** in the healthcare supply chain

Research Overview



Identified Risks & Opportunities



Risks and Opportunities

DEA enforcement actions

Negative and/or inaccurate media coverage of the industry





New state laws and compliance burdens

Lack of understanding of impact of proposed policies / state level looking to work with industry

Potential allies and collaborative partners

Qualitative Research

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	Definition	Approach	Location
 Opinion Leaders	The top 10% of the most active and informed segment of the general population	3 focus groups (8 per group)	Washington, DC Orlando, Florida Philadelphia, PA
 Pharmacists	Local, chain and hospital pharmacists (purchase decision-making authority/responsibilities)	3 focus groups (8 per group)	Washington, DC Orlando, Florida Philadelphia, PA
 Policy Influencers	Senior government officials (federal/state; legislative/regulatory); Thought leaders at think-tanks, non-profits, NGOs	11 in-depth interviews	National, with targeted interviews in West Virginia
 Law Enforcement	Practicing/retired law enforcement (federal/state)	6 in-depth interviews	National, with targeted interviews in West Virginia

Inform development of research-based positioning, including messages and strategies, that protects and enhances the reputation of the industry

What They Said...

"The **single most important value of the industry** is the distribution of medication that we all need for our lives. **If they weren't there, I don't know how we'd get it.**"

– *Opinion Leader*

"Having been specifically involved in narcotic enforcement for over 25 years, I would safely say that **right now it is probably the fastest growing drug problem that we currently have** and perhaps the most significant drug problem that we have in the United States right now."

– *Law Enforcement*

"I don't know why we're looking to blame or point a finger. That doesn't accomplish anything. What we need to say is who are the people that can solve this and how do we work together to get it resolved, not who's to blame. And we're always looking for a silver bullet and there isn't one. **Multi-disciplinary, multi-level, multi-industry cooperation has to be used to solve this.**"

– *Policy Influencer*

"The general public trusts the system and assumes that it is taken care of. Until there's a major breach, they're going to continue to trust the system. **It's going to take an incident to have people question, 'Well, wait a minute. What's going on here?'**"

– *Policy Influencer*

"That's crazy. It's like they're suing the distributors for people's prescription drug abuse. **That's like suing McDonald's for people's cholesterol problems.**"

– *Opinion Leader*

"As a career law enforcement executive, I can tell you I don't agree with that. The distributor's job is to distribute that drug legally from the manufacturer to a pharmacy. The distributor's job is to transport and distribute that pharmaceutical from the company who makes it to the company who sells it. **It's not their job to police the company who sells it.**"

– *Law Enforcement*

- Little unaided awareness of role of healthcare distributors in pharmaceutical supply chain
- Described as “middle-man” or link between manufacturers and dispensers
- Industry maintains benefit of the doubt
- Supply of medicines in US viewed as safe, reliable and trustworthy – evidence of strong distribution industry and establishes industry’s essential role

Benefits

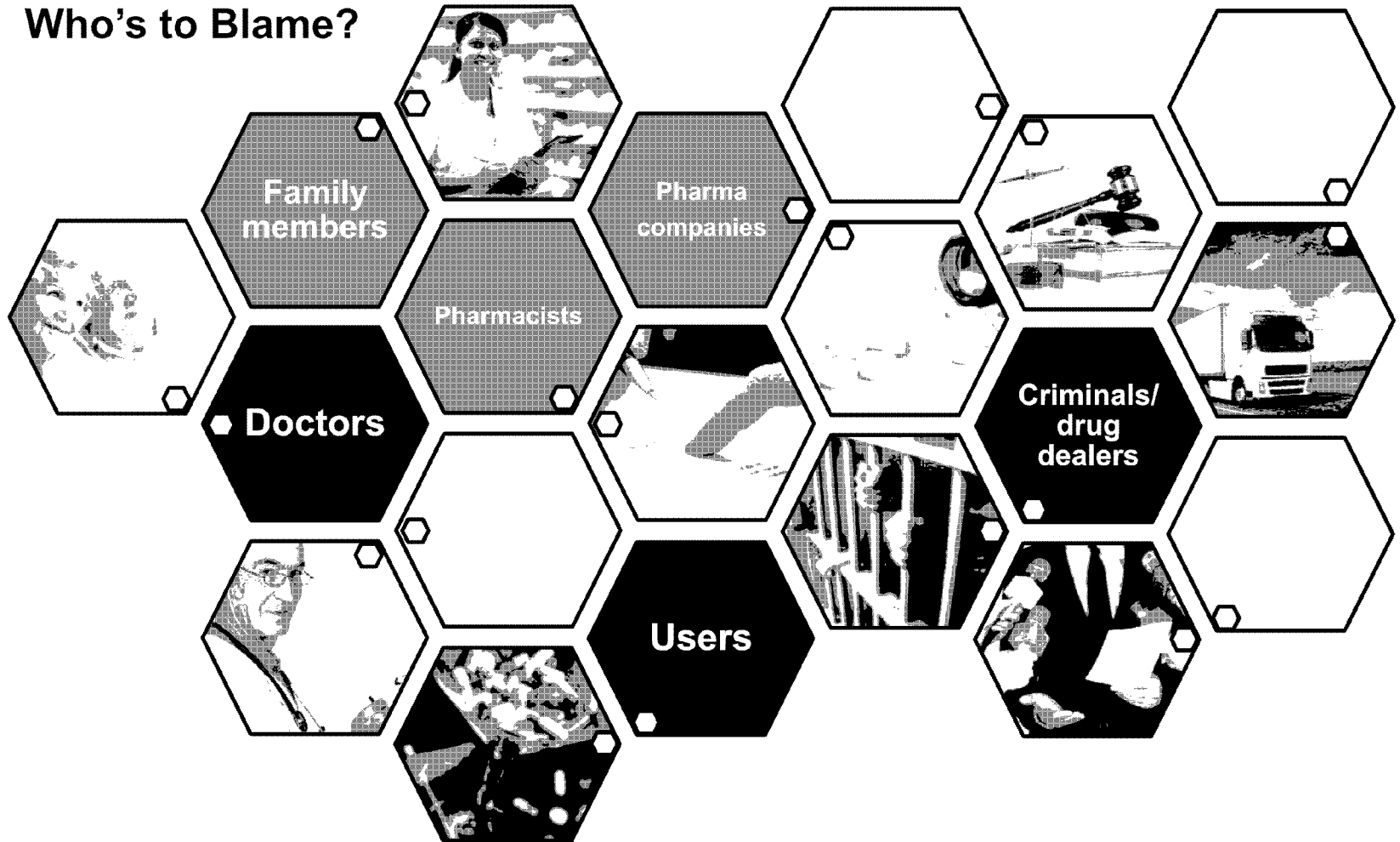
- ☐ Efficiencies/economies of scale
- ☐ Specialization
- ☐ Logistics management
- ☐ Oversight expertise in security/Ability to monitor sales
- ☐ Emergency preparedness

Complexities/Issues

- ☐ Pricing and supply manipulation
- ☐ Shortages
- ☐ Storage and handling
- ☐ Security
- ☐ Regulatory compliance (controlled substances)
- ☐ Pedigree/traceability

Prescription Drug Abuse Epidemic

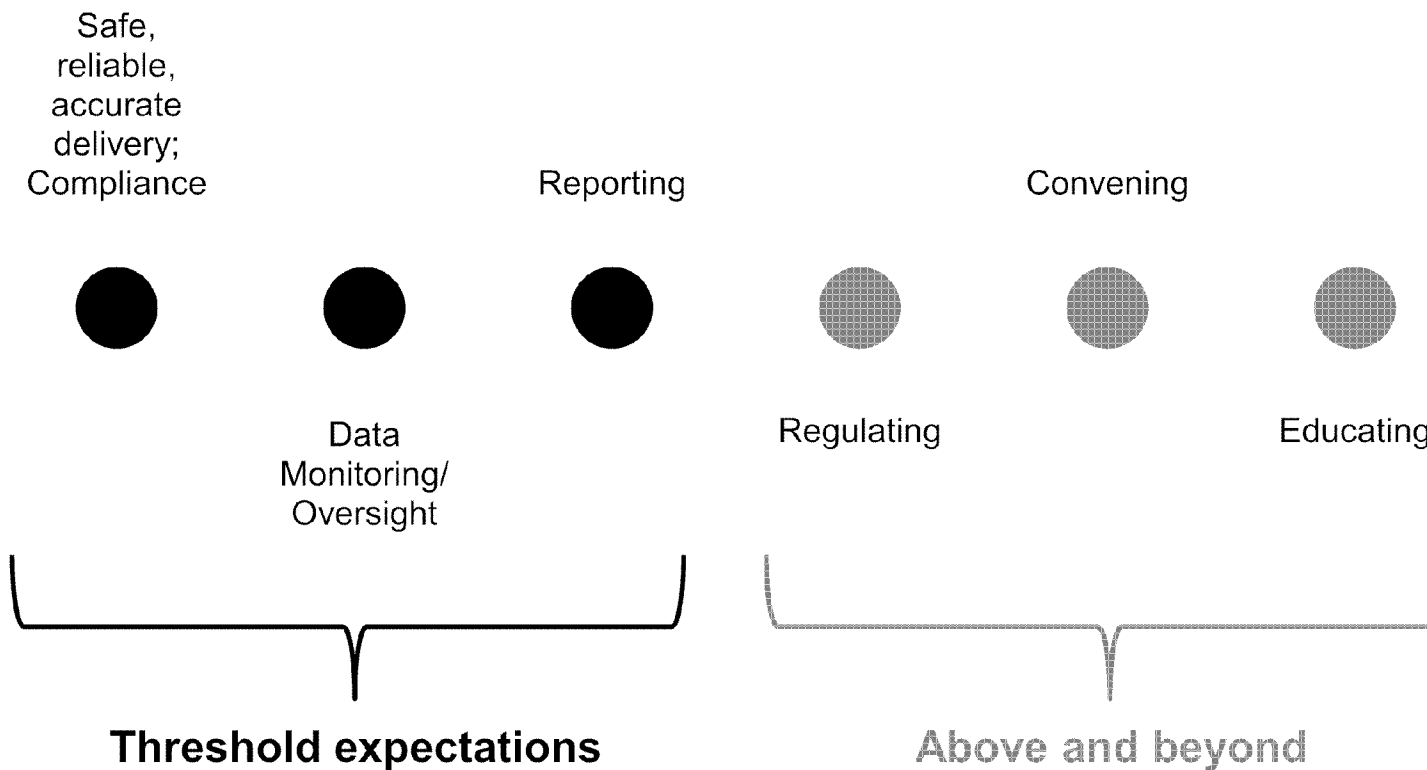
Who's to Blame?



**Focus group respondents only; Distributors not ranked as "most responsible"*

Role of Distributors in Addressing Divergence

What's the Solution?



- Good receptivity to the industry's points
- Messages seed doubt about regulators and enforcers
- Without access to data, respondents question how distributors can be held responsible

Concerns:

- Some skepticism about centralizing role of HDMA
- Messages have potential to come across as too defensive and harm credibility

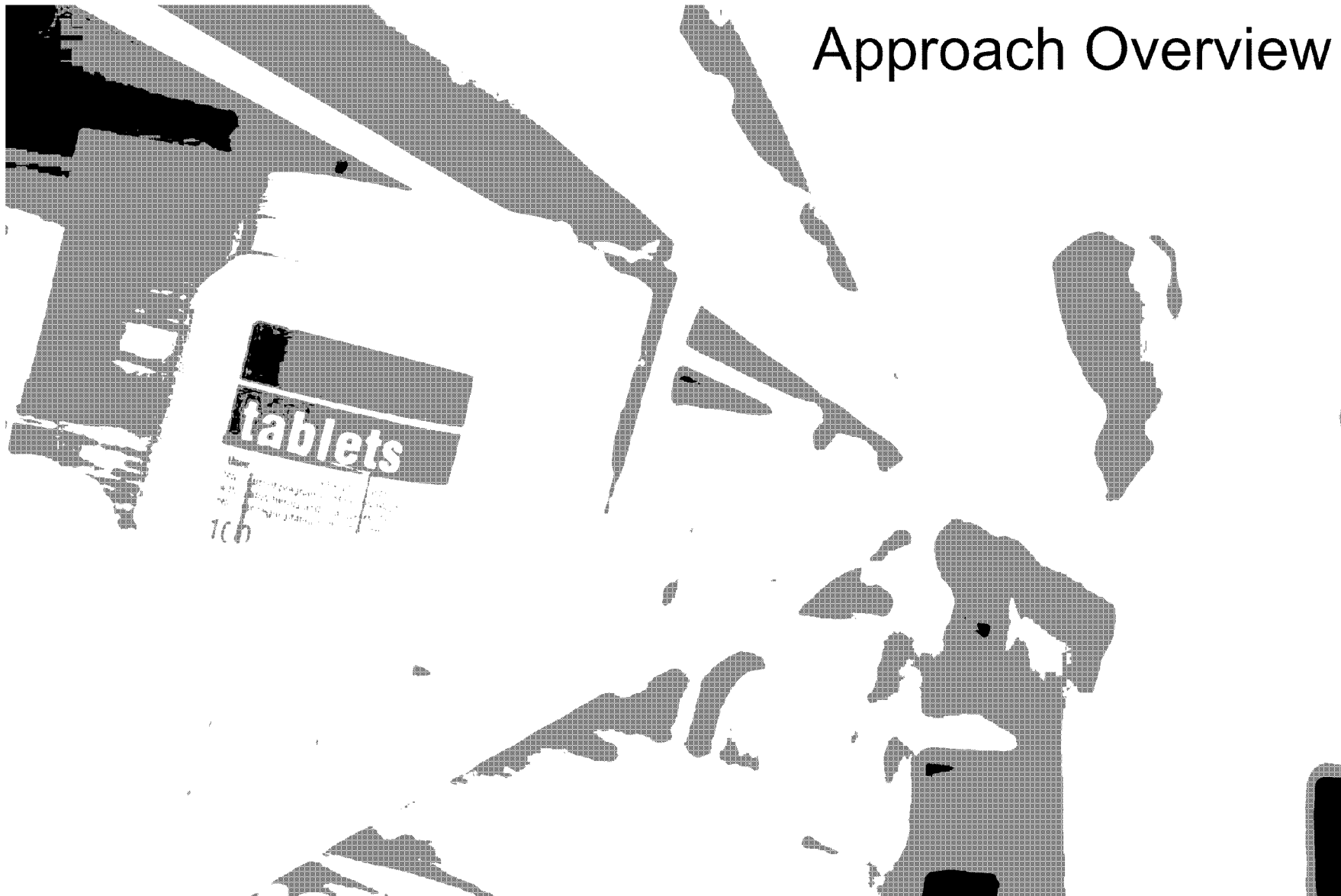
Opportunity:

- Proactive strategy demonstrates commitment to public health
- Clarify/describe current actions taken to monitor and report distribution anomalies

Bottom Line:

- Clarify what industry already does
- Layer in information about constraints: acknowledge complexities in law enforcement/regulatory collaboration with recommended solutions

Approach Overview



The industry protects the safety, reliability and integrity of the healthcare supply chain by:

Combatting drug
diversion

Advocating for a
national
traceability
solution

Working to
address drug
shortages

Preparing for
emergencies and
protecting the
supply chain in
times of crisis

Amplify your value proposition by educating and convening target audiences

Phase 2: Educate Target Audiences



Phase 2: Tactical Components

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Message for crisis and
rapid response



Create the Tools

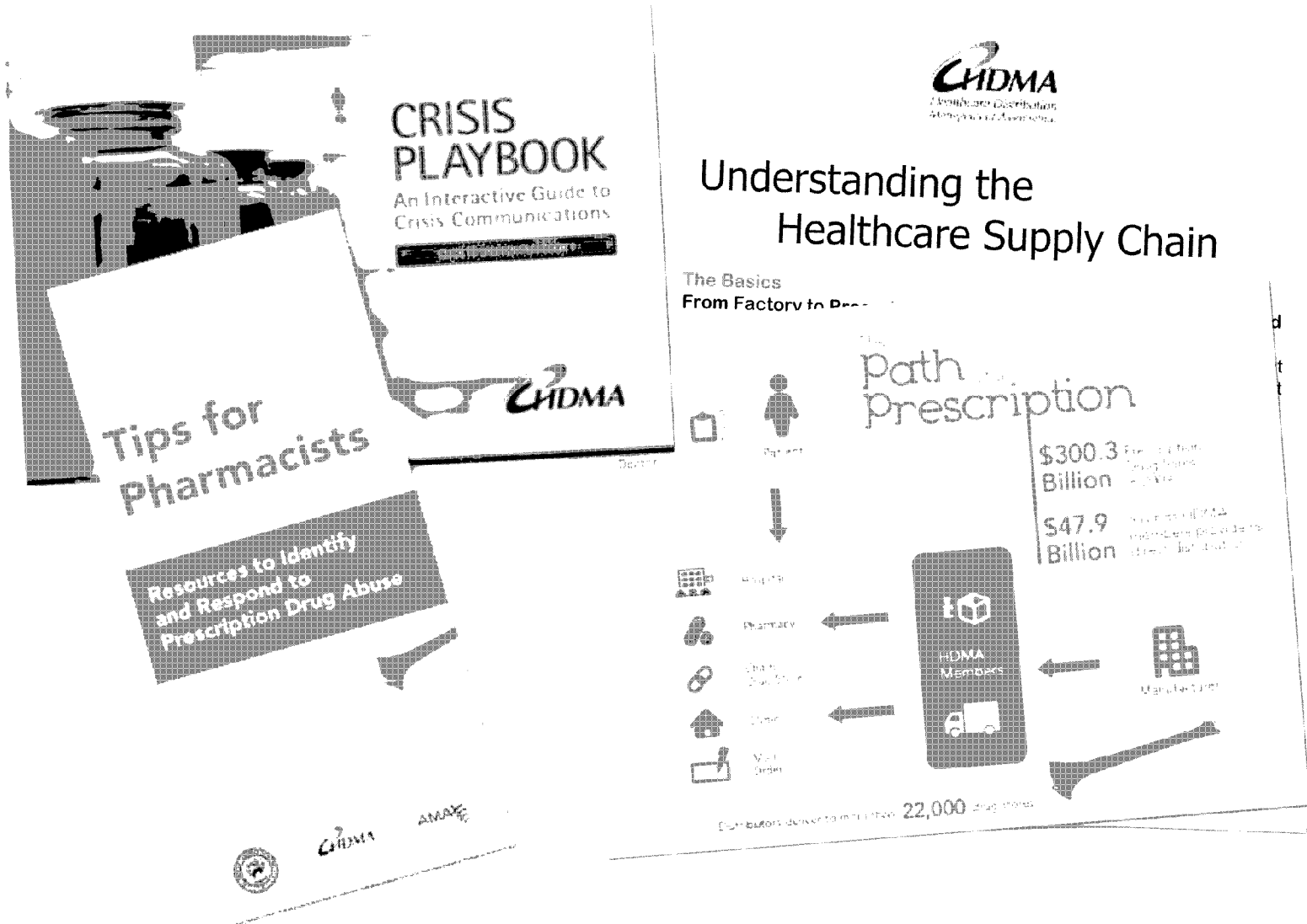


Educate target
stakeholders



Speak at relevant
events

Phase 2: Sample Educational Materials



Stage 2: Proposed Timeline

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Stage 2: Education Program				Jun 2 Board Meeting			Sep 29 Board Meeting			
Message for crisis and rapid response										
Create the tools										
Educate target stakeholders										
Speak at relevant events										

Stage 2: Budget

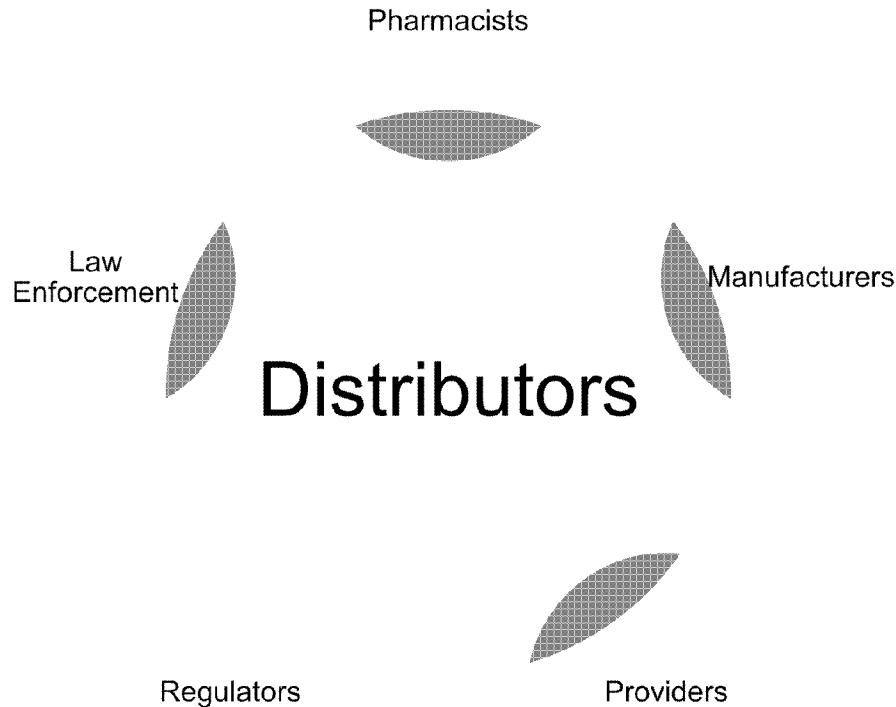
Activity Detail	Total Staff Hours	Budget
Phase 2: Educate Target Audiences		
Message for crisis and rapid response		
<ul style="list-style-type: none"> Finalize key messages Hold a crisis response simulation Support crisis response as needed 	75	\$25,000
Create the tools		
<ul style="list-style-type: none"> Design and develop educational toolkit (folders, inserts, graphics, etc.) Provide website content and infrastructure recommendations Create interactive video Design targeted, inside-the-Beltway ads (as needed) 	265	\$80,000
Educate target stakeholders		
<ul style="list-style-type: none"> Create a targeted stakeholders list Develop a briefing schedule Provide briefing support (outreach and engagement coordination, onsite support - local only) Create/enhance social media strategy 	265	\$80,000
Speak at relevant events		
<ul style="list-style-type: none"> Identify speaking opportunities Outreach to speaking venues and secure speaking slots Provide speaker support (presentation/speech development, onsite attendance - local only) 	265	\$80,000
TOTAL	870	\$265,000

Please Note: The figure above does not include certain out-of-pocket expenses, including but not limited to travel, catering and conference attendance costs, printing of materials, purchasing stock images, renting camera and audio crews, event fees, etc. that may arise out of the activities laid out above.

Looking to the Future



Convene and Collaborate

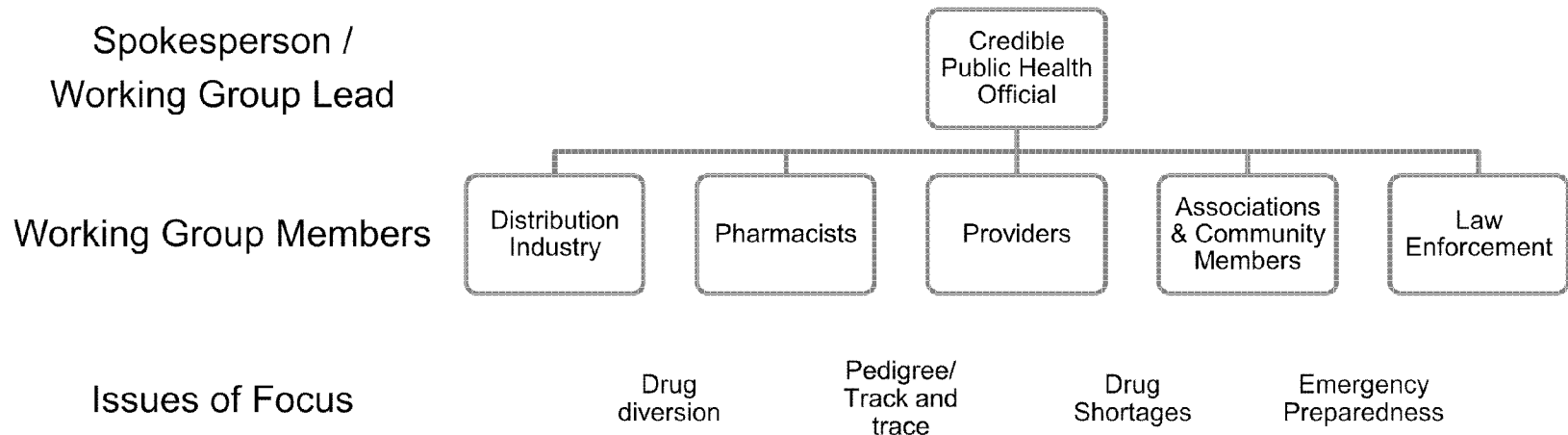


Supply Chain Working Group

The industry is well-equipped to act as a convener, inspiring collaborative stakeholder action to combat issues of supply chain security and integrity

Collaborative action will diffuse responsibility while pooling resources to produce definitive solutions

Convene and Collaborate Structure



Convene and Collaborate

- **Public health focused:** turns conversation to health rather than enforcement/criminality
- **Well-recognized:** establishes credibility of the effort
- **Non-controversial:** serves as a cohesion point for diverse groups in collaborative effort
- **Spokesperson:** position as a go-to source for information about supply chain issues